

MINUTES OF MEETING October 30, 2018

The regular monthly meeting of the Northampton Retirement Board was called to order by Chairperson Karpinski at 1:31 p.m. in City Council Chambers, Municipal Hall, 212 Main Street, Northampton, MA.

Members present were Joyce Karpinski, Shirley LaRose, Susan Wright and Mike Lyons. Thomas Sullivan was present via remote participation. Also present was Administrator David Shipka and Administrative Assistant Elsie Vazquez.

At the start of the meeting Ms. Karpinski noted that Mr. Sullivan would be participating via remote participation due to geographic distance.

Visitors

None

New Business

The de Burlo Group was present to report on the third quarter investments. The portfolio returned 7.42% in the third quarter.

Stocks performed well at 12.73% compared to 7.71% for the S&P 500 this quarter. Bonds outperformed the index at 0.26% compared to the Barclay's index at 0.06%.

At the end of the quarter the equity allocation was at approximately 57% and fixed income was at about 41%. Less than 1% was in cash.

On the year, the portfolio was up 15.51% through September, however markets were down sharply in October, bringing the total return down to about 10% through October 29th.

At the end of the presentation the de Burlo Group exited the room.

Stone Consulting's contract with the Board for actuarial services ends on 12/31/2018. The Board reviewed an RFP for actuarial services prepared by the administrator.

An RFP notice will be posted immediately. The deadline for submissions was set for December 5, 2018 at 4:00 p.m.

On a motion made by Ms. Wright and seconded by Mr. Lyons the Board voted unanimously by roll call to approve the RFP for posting (Karpinski: Yes, Lyons: Yes, LaRose: Yes, Sullivan: Yes, Wright: Yes).

The Board reviewed the third quarter budget report prepared by the administrator.

The Board reviewed the GASB 67/68 report for the fiscal year ended June 30, 2018 which was prepared by Stone Consulting. On a motion made by Mr. Lyons and seconded by Ms. LaRose the Board voted unanimously by roll call to accept the report (Karpinski: Yes, Lyons: Yes, LaRose: Yes, Sullivan: Yes, Wright: Yes).

Regular Business

The Board accepted the following new members:

Jennifer Clarson (School)
Melissa Black (School)
Wilbert Boynton (Central Services)
Riely Hogan (DPW)
Josue Rivera (DPW)
Bonnie Netto (Collector/Parking)
Louise Rockett (Cafeteria)
John O'Brien (School)
Thomas Annese (Planning)
Janet Vance (Auditor)
Zachary Sniadach (DPW)
Taylor Granger (Police)
Kevin Cook (Police)
John Lewis (Police)
Jordan Ross (Police)
Allen Wheeler (Housing)
Marie DeGeorge (Dispatch)
Andrew Wernik (Custodian)
David Velazquez (Custodian)

The Board accepted the retirement applications for the following members:
Jacqueline Lapienski (Police)

Anna Powers - Application for 12(2)(d) benefits as surviving spouse of deceased inactive member Gary Powers (School Custodians)

On a motion made by Ms. Wright and seconded by Ms. LaRose, the Board voted unanimously by roll call to accept the retirement application for Jacqueline Lapienski (Karpinski: Yes, Lyons: Yes, LaRose: Yes, Sullivan: Yes, Wright: Yes).

On a motion made by Ms. Wright and seconded by Mr. Sullivan, the Board voted unanimously by roll call to approve the 12(2)(d) application for Anna Powers (Karpinski: Yes, Lyons: Yes, LaRose: Yes, Sullivan: Yes, Wright: Yes).

The Board reviewed retirement allowances for the following retirees:
Joanne Lastowski (School)

On a motion made by Ms. Wright and seconded by Mr. Lyons, the Board voted unanimously by roll call to approve the aforementioned retirement allowance (Karpinski: Yes, Lyons: Yes, LaRose: Yes, Sullivan: Yes, Wright: Yes).

Anna Powers- 12(2)(d) survivor allowance

On a motion made by Ms. Wright and seconded by Mr. Lyons, the Board voted unanimously by roll call to approve the aforementioned survivor allowance (Karpinski: Yes, Lyons: Yes, LaRose: Yes, Sullivan: Yes, Wright: Yes).

The Board reviewed the following deceased members/retirees/survivors:
None

On a motion made by Mr. Lyons and seconded by Ms. LaRose, the Board voted unanimously by roll call to approve the minutes of the regular meeting held on September 26, 2018 (Karpinski: Yes, Lyons: Yes, LaRose: Yes, Sullivan: Yes, Wright: Yes).

The Board reviewed and approved the following warrants:
Board and staff payroll warrant totaling \$11,918.07
Pension payroll warrant totaling \$881,676.39
Accounts payable warrant totaling \$225,824.42

The Board reviewed the following reports:
August Trial Balance
Transaction journal from the de Burlo Group, Inc for September 2018
PRIT Statement for September 2018

The Board reviewed the following wire transfers for the current month:
\$24,864.52 from PRIM to Peoples' United Bank (distribution)
\$890,000 from Peoples' United Bank to Florence Bank

The Board reviewed the treasurer's report on the Florence Bank account for September:
Bank statement: \$397,540.86
Outstanding disbursements: \$393,483.32
Adjusted bank balance: \$4,057.54

Outstanding receipts: \$19,774.88
Trial Balance end of month balance: \$23,832.42

The Board reviewed the following makeup/buyback requests:
None

The Board reviewed the following correspondence:

PRIM	Monthly update
PERAC #29	Tobacco company list
PERAC #30	Annual appropriations data due 10/31
PERAC #31	Disclosure of compensation

Old Business

The Board discussed the RFP for investment management services. The deadline for submissions was October 3, 2018. A total of seven proposals had been received.

Board members had individually reviewed the proposals prior to the meeting. Overall, the de Burlo Group had received the highest ranking from the Board. There was a discussion on the rankings in which Board members elaborated on their scoring.

Of the seven proposals ranked by the members of the Board, five of the respondents had received a composite ranking of "not advantageous" or lower. Boston Trust and Investment Management and the de Burlo Group ranked as "advantageous" to "very advantageous" with the de Burlo Group receiving the highest score. Boston Trust was proposing fees that were about 10% higher than what de Burlo was proposing, which concerned the Board.

The de Burlo Group was offering very competitive fees and would be the lowest cost choice with the possible exception of Vanguard, which had provided an estimated range of fees rather than a specific fee quote. Vanguard however did not score well in terms of the types of investment services and experience the Board was seeking.

The Board recognized that among Massachusetts retirement systems, Northampton ranked very favorably in investment returns, especially long-term returns. It was also recognized that following an excellent year in 2017, the de Burlo Group was currently experiencing a good year with its investments. Given these considerations, along with high marks in the rankings as well as very low fees, the consensus was that at this time it was in the best interests of the Retirement System to continue its relationship with the de Burlo Group rather than change investment managers.

At the end of the discussion, on a motion made by Mr. Lyons and seconded by Ms. LaRose, the Board voted unanimously by roll call to award the investment contract to

the de Burlo Group for a term of seven years beginning in February of 2019 (Karpinski: Yes, LaRose: Yes, Lyons: Yes, Sullivan: Yes, Wright: Yes).

Other Business

Travel Report:

Mr. Lyons reported on the MACRS conference

Ms. Wright reported on the PERAC Emerging Issues presentation on risk assessment.

Adjournment

On a motion made by Ms. Wright and seconded by Ms. LaRose, the Board voted unanimously to adjourn the meeting at 3:52 p.m.

The next regular meeting is scheduled for Tuesday, November 27th at 1:30 p.m. in Council Chambers.

Respectfully Submitted,

Administrator

APPROVED:

THESE MINUTES WERE APPROVED BY THE BOARD ON 11/27/2018

_____ **Joyce Karpinski, Chairperson**

_____ **Shirley LaRose**

_____ **Michael J Lyons**

_____ **Thomas Sullivan**

_____ **Susan Wright**